

reviews may occur.

The review will consist of an examination and verification of data involving records, systems, procedures and other information related to the services performed by either Party as related to settlement charges or payments made in connection with this Agreement as determined by either Party to be reasonably required. Each Party, whether or not in connection with an on-site verification review, shall maintain reasonable records for a period of time no less than twenty-four (24) months from the date such records are created and provide the other Party with reasonable access to such information as is necessary to determine amounts receivable or payable under this Agreement.

Each Party's right to access information for verification review purposes is limited to data not in excess of 24 months in age. Once specific data has been reviewed and verified, it is unavailable for future reviews. Any items not reconciled at the end of a review will, however, be subject to a follow-up review effort. Any retroactive adjustments required subsequent to previously reviewed and verified data will also be subject to follow-up review. Information of either Party involved with a verification review shall be subject to the nondisclosure terms of this Agreement.

The Party requesting a verification review shall fully bear its costs associated with conducting the review. The Party being reviewed will provide access to required information, as outlined in this Section, at no charge to the reviewing Party. Should the reviewing Party request information or assistance beyond that reasonably required to conduct such a review, the Party being reviewed may, as its option, decline to comply with such request or may bill actual costs incurred in complying subsequent to the concurrence of reviewing Party.

XX.

COMPLIANCE WITH LAWS

The Parties believe in good faith that the Services to be provided under this Agreement satisfy the requirements of the Act. In the event a court or regulatory agency of competent jurisdiction should determine that modifications of this Agreement are required to bring the Services being provided hereunder into compliance with the Act, the affected Party shall promptly give the other Party written notice of the modifications deemed required. Upon delivery of such notice, the Parties shall expend diligent efforts to arrive at an agreement respecting such modifications required, and if the Parties are unable to arrive at such agreement, either Party may terminate this Agreement, without penalty, effective the day the affected Party is ordered to implement the modifications deemed required, or effective on the day either Party concludes and gives notice that the Parties will not be able to arrive at any agreement respecting such modifications, whichever date shall occur earlier.

This Agreement is an integrated package that reflects a balancing of interests critical to the Parties. It will be submitted to the applicable state regulatory

Commission and the FCC as a compliance filing, and the Parties will specifically request that the applicable state regulatory Commission and the FCC refrain from taking any action to change, suspend or otherwise delay implementation of the Agreement. In the event the Commission or the FCC rejects any portion or provision of this Agreement or subsequently issues a ruling or order that results in a provision being contrary to law, or is invalid for any reason, the parties shall continue to be bound by the terms of this Agreement, insofar as possible, except for the portion rejected or subsequently determined to be unlawful, invalid, or unenforceable. In such event, the Parties shall negotiate in good faith to replace the rejected, unlawful, invalid, or unenforceable provision and shall not discontinue service to the other Party during such period if to do so would disrupt existing service being provided to an end user. So long as the Agreement remains in effect, the Parties shall not advocate before any legislative, regulatory, or other public forum that any terms of this specific Agreement be modified or eliminated. Notwithstanding this mutual commitment, however, the Parties enter into this Agreement without prejudice to any positions they have taken previously, or may take in the future in any legislative, regulatory, or other public forum addressing any matters, including matters related to the types of arrangements prescribed by this Agreement.

XXI. CERTIFICATION REQUIREMENTS

LSP warrants that it has obtained all certifications required in those jurisdictions in which LSP has ordered services pursuant to this Agreement. Subject to restrictions in Article II.A. (Permitted Use of Resold Service by LSP and Its End Users), LSP covenants that any originating service provider utilizing the resold services under this Agreement has obtained all required certification.

Upon request by any governmental entity, the LSP is required to provide proof of certification.

XXII. EFFECT OF OTHER AGREEMENTS

The Parties agree that pursuant to the requirements of the Telecommunications Act of 1996, a Party shall treat the other Party no less favorably than it treats similarly situated local service providers with whom such Party has an operational interconnection or resale agreement which has been approved by the State PUC or PSC. If either Party enters into an agreement (the "Other Agreement") approved by the Commission pursuant to Section 252 of the Act which provides for the provision of arrangements covered in this Agreement to another requesting Telecommunications Carrier, such Party shall make available to the other Party such arrangements upon the same rates, terms and conditions as those provided in the Other Agreement.

XXIII. NEW SERVICES

SWBT shall make telecommunications services that SWBT provides at retail to

subscribers who are not telecommunications carriers available for resale consistent with its obligation under § 251(c)(4)(A) of the Telecommunications Act. SWBT shall use the Accessible Letter process to notify LSP of new services available for resale during the term of this Agreement. The notification shall advise LSP of the category in which such new service shall be placed and the same discount already applicable to LSP in that category shall apply to the new service.

XXIV. NOTICES

In the event any notices are required to be sent under the terms of this Agreement, they shall be sent by registered mail, return receipt requested to:

To LSP: James Wheeler
PO Box 5395
Portland, OR 97228

To SWBT: Jerry Gilmore
One Bell Plaza, Room 525
208 S. Akard
Dallas, Texas 75202

XXV. BENEFICIARIES

This Agreement shall not provide any nonparty with any remedy, claim, cause of action or other right.

XXVI. TERM

SWBT and LSP agree that the initial term of this Agreement shall be for 90 days, and thereafter the Agreement shall continue in force and effect unless and until terminated as provided herein. Either Party may terminate this Agreement by providing written notice of termination to the other Party, at least 60 days in advance of the date of termination. At the conclusion of the first term, this Agreement shall continue without interruption unless terminated by either Party or superseded by a new Agreement between the Parties. By mutual agreement, SWBT and LSP may amend this Agreement to modify the term of this Agreement. Where LSP has not made arrangements to provide service over its own facilities to its end users, the notification and transfer of end user procedures outlined in Article XII.D.-F. (Termination of service to LSP) shall apply.

XXVII EFFECTIVE DATE

The effective date of this Agreement shall be ten (10) days after the date that the appropriate state regulatory Commission approves this Agreement.

XXVIII. WAIVER

The failure of either Party to enforce or insist that the other party comply with any of the terms or conditions of this Agreement, or the waiver by either Party in a particular instance of any of the terms and conditions of this Agreement, shall not

be construed as a general waiver or relinquishment of the terms and conditions, but the Agreement shall be and remain at all times in full force and effect.

XXIX. DISCLAIMER OF WARRANTIES

SWBT MAKES NO REPRESENTATION OR WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO ANY WARRANTY AS TO MERCHANTABILITY OR FITNESS FOR INTENDED OR PARTICULAR PURPOSE WITH RESPECT TO SERVICES PROVIDED HEREUNDER. ADDITIONALLY, SWBT ASSUMES NO RESPONSIBILITY WITH REGARD TO THE CORRECTNESS OF DATA OR INFORMATION SUPPLIED BY LSP WHEN THIS DATA OR INFORMATION IS ACCESSED AND USED BY A THIRD PARTY.

XXX. RELATIONSHIP OF THE PARTIES

This Agreement shall not establish, be interpreted as establishing, or be used by either Party to establish or to represent their relationship as any form of agency, partnership or joint venture. Neither Party shall have any authority to bind the other or to act as an agent for the other unless written authority, separate from this Agreement, is provided. Nothing in the Agreement shall be construed as providing for the sharing of profits or losses arising out of the efforts of either or both of the Parties. Nothing herein shall be construed as making either Party responsible or liable for the obligations and undertakings of the other Party.

XXXI. COMPLETE TERMS

This Agreement, together with its Attachments constitutes the entire agreement between the Parties and supersedes all prior discussions, representations or oral understandings reached between the Parties.

The corresponding tariffs and this Agreement (including the Attachments) contain all of the applicable rates and charges to be paid by the LSP to SWBT in connection with SWBT's provision of telecommunications service to LSP for Resale to its end user customers.

Neither Party shall be bound by any amendment, modification or additional terms unless it is reduced to writing signed by an authorized representative of the Party sought to be bound.

By their signatures in the space provided below, LSP and SWBT indicate their acceptance of this Agreement. This agreement shall not bind LSP and SWBT until executed by both Parties. This Agreement will be governed by and interpreted in accordance with the laws of the State of Oklahoma.

THIS AGREEMENT CONTAINS A BINDING ARBITRATION AGREEMENT.

**STERLING INTERNATIONAL
FUNDING d/b/a RECONEX**

**SOUTHWESTERN BELL TELEPHONE
COMPANY**




Signature

Todd M Meislahn
Printed Name

President
Position/Title

11/18/96
Date



Signature

Ricardo Zamora
Printed Name

Vice President-Competitive Assurance
Position/Title

12/2/96
Date

	AVOIDED COST DISCOUNTS	
	<u>RECURRING</u>	<u>NON-RECURRING</u>
<u>LOCAL EXCHANGE SERVICE</u>		
Life Line and Link Up America Services	17.5%	17.5%
Residence 1 Party	17.5%	17.5%
Residence Measured	17.5%	17.5%
<u>EXPANDED LOCAL CALLING</u>		
Expanded Local Calling (Mandatory)	17.5%	17.5%
Mandatory Extended Area Calling Service (EACS)- 1 Party	17.5%	17.5%
Mandatory EACS - One element measured, 1 Party	17.5%	17.5%
<u>CALL MANAGEMENT SERVICES</u>		
Auto Redial	17.5%	17.5%
Call Blocker	17.5%	17.5%
Call Forwarding	17.5%	17.5%
Call Forwarding - Busy Line	17.5%	17.5%
Call Forwarding - Busy Line/Don't Answer	17.5%	17.5%
Call Forwarding - Don't Answer	17.5%	17.5%
Call Return	17.5%	17.5%
Call Trace	17.5%	17.5%
Call Waiting	17.5%	17.5%
Calling Name	17.5%	17.5%
Calling Number	17.5%	17.5%
ComCall®	17.5%	17.5%
Personalized Ring (1 dependent number)	17.5%	17.5%
Personalized Ring (2 dependent numbers - 1st number)	17.5%	17.5%
Personalized Ring (2 dependent numbers - 2nd number)	17.5%	17.5%
Priority Call	17.5%	17.5%
Remote Access to Call Forwarding	17.5%	17.5%
Selective Call Forwarding	17.5%	17.5%
Simultaneous Call Forwarding	17.5%	17.5%
Speed Calling 8	17.5%	17.5%
Speed Calling 30	17.5%	17.5%
Three Way Calling	17.5%	17.5%
<u>DIRECTORY ASSISTANCE SERVICES</u>	17.5%	17.5%

* Some products not available in all areas.

Resale products available subject to state and federal rules, regulations and tariffs.

	AVOIDED COST DISCOUNTS	
	<u>RECURRING</u>	<u>NON-RECURRING</u>
<u>OTHER</u>		
Customer Alerting Enablement	17.5%	17.5%
Grandfathered Services	17.5%	17.5%
Hot Line	17.5%	17.5%
Local Operator Assistance Service	17.5%	17.5%
Packages	17.5%	17.5%
Promotions (greater than 90 days)	17.5%	17.5%
Preferred Number Service	17.5%	17.5%
Toll Restriction	17.5%	17.5%
TouchTone	17.5%	17.5%
Voice Dial	17.5%	17.5%
Warm Line	17.5%	17.5%
<u>TOLL</u>		
900 Call Restriction	17.5%	17.5%
Home 800 sm	17.5%	17.5%
IntraLATA MTS	17.5%	17.5%
Toll Billing Exception	17.5%	17.5%
<u>NON-TELECOMMUNICATION SERVICES</u>		
Bill Plus sm	17.5%	17.5%
Company Initiated Suspension and Restoral Service	0%	0%
Consolidated Billing	17.5%	17.5%
Customer Initiated Suspension and Restoral Service	0.0%	0.0%
Enhanced Directory Listings	17.5%	17.5%

* Some products not available in all areas.

Resale products available subject to state and federal rules, regulations and tariffs.

	AVOIDED COST DISCOUNTS	
	<u>RECURRING</u>	<u>NON-RECURRING</u>
<u>LOCAL EXCHANGE SERVICE</u>		
Business 1 Party	17.5%	17.5%
Business - Multi-Line Hunting	17.5%	17.5%
Semi Public Coin Telephone Service	17.5%	17.5%
Semi Public Coinless Telephone Service	17.5%	17.5%
Semi Public Coinless - Outward only	17.5%	17.5%
Semi Public Outgoing Only/1 Way Originating only	17.5%	17.5%
<u>EXPANDED LOCAL CALLING</u>		
Expanded Local Calling (Mandatory)	17.5%	17.5%
Mandatory Extended Area Calling Service (EACS)- 1 Party	17.5%	17.5%
Mandatory EACS - Hotel/Motel Measured Trunk	17.5%	17.5%
Mandatory EACS - Multi-Line Hunting	17.5%	17.5%
Mandatory EACS - PBX Trunk	17.5%	17.5%
Mandatory EACS - Semi Public - 1 Party	17.5%	17.5%
<u>CALL MANAGEMENT SERVICES</u>		
Auto Redial	17.5%	17.5%
Call Blocker	17.5%	17.5%
Call Forwarding	17.5%	17.5%
Call Forwarding - Busy Line	17.5%	17.5%
Call Forwarding - Busy Line/Don't Answer	17.5%	17.5%
Call Forwarding - Don't Answer	17.5%	17.5%
Call Return	17.5%	17.5%
Call Trace	17.5%	17.5%
Call Waiting	17.5%	17.5%
Calling Name	17.5%	17.5%
Calling Number	17.5%	17.5%
ComCall®	17.5%	17.5%
Personalized Ring (1 dependent number)	17.5%	17.5%
Personalized Ring (2 dependent numbers - 1st number)	17.5%	17.5%
Personalized Ring (2 dependent numbers - 2nd number)	17.5%	17.5%
Priority Call	17.5%	17.5%
Remote Access to Call Forwarding	17.5%	17.5%
Selective Call Forwarding	17.5%	17.5%
Simultaneous Call Forwarding	17.5%	17.5%
Speed Calling 8	17.5%	17.5%
Speed Calling 30	17.5%	17.5%
Three Way Calling	17.5%	17.5%

* Some products not available in all areas.

Resale products available subject to state and federal rules, regulations and tariffs.

	AVOIDED COST DISCOUNTS	
	<u>RECURRING</u>	<u>NON-RECURRING</u>
<u>DID</u>		
DID (First Block of 100 - Category 1)	17.5%	17.5%
DID (First Block of 10 - Category 1)	17.5%	17.5%
DID (Ea. adl. block of 10 after first 10 - Category 1)	17.5%	17.5%
DID (Ea.adl. block of 100 after first 100 - Category 2)	17.5%	17.5%
DID (Ea.adl. block of 10 assigned over 1st 100 - Category 2)	17.5%	17.5%
DID (with Mutlifrequency)	17.5%	17.5%
DID (with Dual-Tone Multifrequency)	17.5%	17.5%
DID (1st 10 Trunks or access lines)	17.5%	17.5%
DID (11th thru 50th trunk or network access line)	17.5%	17.5%
DID (51st trunk or network access line)	17.5%	17.5%
<u>TRUNKS</u>		
Trunk	17.5%	17.5%
<u>AIN</u>		
Area Wide Networking	17.5%	17.5%
Caller Intellidata®	17.5%	17.5%
Disaster Routing Service	17.5%	17.5%
Intelligent Redirect sm	17.5%	17.5%
Positive ID		
<u>OTHER</u>		
Customer Alerting Enablement	17.5%	17.5%
Grandfathered Services	17.5%	17.5%
Hot Line	17.5%	17.5%
Hunting	17.5%	17.5%
Local Operator Assistance Service	17.5%	17.5%
Night Number associated with Telephone Number	17.5%	17.5%
Night Number associated with a Terminal	17.5%	17.5%
Packages	17.5%	17.5%
Promotions (greater than 90 days)	17.5%	17.5%
Telebranch®	17.5%	17.5%
Toll Restriction	17.5%	17.5%
TouchTone	17.5%	17.5%
Voice Dial	17.5%	17.5%
Warm Line	17.5%	17.5%
<u>ISDN</u>		
Select Video Plus®	17.5%	17.5%
Smart Trunk sm	17.5%	17.5%

* Some products not available in all areas.

Resale products available subject to state and federal rules, regulations and tariffs.

	AVOIDED COST DISCOUNTS	
	<u>RECURRING</u>	<u>NON-RECURRING</u>
<u>DIRECTORY ASSISTANCE SERVICES</u>	17.5%	17.5%
<u>TOLL</u>		
900 Call Restriction	17.5%	17.5%
IntraLATA MTS	17.5%	17.5%
MaxiMizer 800®	17.5%	17.5%
OutWATS	17.5%	17.5%
Toll Billing Exception	17.5%	17.5%
<u>PLEXAR®</u>		
Plexar I®	17.5%	17.5%
Plexar II®	17.5%	17.5%
<u>PRIVATE LINE</u>		
Analog Private Lines	17.5%	17.5%
Frame Relay	17.5%	17.5%
MicroLink I®	17.5%	17.5%
Multi Point Video	17.5%	17.5%
<u>NON-TELECOMMUNICATION SERVICES</u>		
Bill Plus sm	17.5%	17.5%
Company Initiated Suspension and Restoral Service	0%	0%
Consolidated Billing	17.5%	17.5%
Customer Initiated Suspension and Restoral Service	0.0%	0.0%
Enhanced Directory Listings	17.5%	17.5%

* Some products not available in all areas.

Resale products available subject to state and federal rules, regulations and tariffs.

INTERCONNECTION AGREEMENT

BETWEEN

SOUTHWESTERN BELL TELEPHONE COMPANY

AND

U. S. LONG DISTANCE, INC.

269

BEFORE THE CORPORATION COMMISSION OF THE STATE OF OKLAHOMA

APPLICATION OF SOUTHWESTERN BELL)
TELEPHONE COMPANY FOR APPROVAL) CAUSE NO. PUD 960000265
OF INTERCONNECTION AGREEMENT WITH)
U.S. LONG DISTANCE, INC. PURSUANT TO)
§252(e) OF THE TELECOMMUNICATIONS) ORDER NO. 408119
ACT OF 1996)

HEARING: November 12, 1996
Before Robert E. Goldfield, Administrative Law Judge

APPEARANCES: Kendall W. Parrish, Attorney
Southwestern Bell Telephone Company
George Makohin, Attorney
U.S. Long Distance, Inc.
Robert D. Allen and O. Carey Epps, Attorneys
AT&T Communications of the Southwest, Inc.
Rick D. Chamberlain and Mickey S. Moon
Assistant Attorneys General
Office of the Attorney General, State of Oklahoma
Ronald E. Stakem and Steven F. Morris, Attorneys
MCI Telecommunications Corporation
Nancy Thompson, Attorney
Sprint Communications Company L.P.
John W. Gray, Senior Assistant General Counsel
Public Utility Division, Oklahoma Corporation Commission

ORDER APPROVING INTERCONNECTION AGREEMENT

BY THE COMMISSION:

The Corporation Commission (the Commission) of the State of Oklahoma being regularly in session and the undersigned Commissioners being present and participating, there comes on for consideration and action the Application of Southwestern Bell Telephone Company (SWBT) requesting the Commission to approve an interconnection agreement reached by negotiation between SWBT and U.S. Long Distance, Inc. (USLD).

The application was filed in this cause on September 9, 1996. Attached to the application was an interconnection agreement executed between the parties on September 5, 1996. The interconnection agreement resulted from negotiations between the parties

pursuant to the federal Telecommunications Act of 1996 and the Commission's local competition rules, OAC 165:55-17-1, et seq., which were adopted earlier this year.

A hearing was conducted on November 12, 1996, with all parties present. Under Section 252(e) of the federal law and OAC 165:55-17-7(e) of the Commission's rules, the Commission may only reject an interconnection agreement, or any portion thereof, adopted by negotiation under Section 252(a) of the federal Act, if the Commission finds that: (i) the agreement (or portions thereof) discriminates against a telecommunications carrier not a party to the agreement; or (ii) the implementation of the agreement or portion is not consistent with the public interest, convenience and necessity.

L. Bruce Sparling, Director-Competitive Assurance for SWBT, testified in support of the application. Mr. Sparling sponsored prefiled testimony he filed on November 5, 1996. In that testimony, which was admitted without objection, Mr. Sparling, who had knowledge of the negotiation of the interconnection agreement, testified that the agreement does not discriminate against any telecommunications carrier not a party to the agreement. This is demonstrated by the fact that the agreement complies with the anti-discriminatory intent of the federal Act. For example, the access and interconnection provided under the Agreement provide non-discriminatory access to network elements in accordance with the requirements of Section 251(c)(3) and 252(d)(1) of the Act. The Agreement sets out terms and conditions in Appendix UNC for SWBT to provide unbundled network components requested by USLD which could include loop, loop cross connect, switch port, local switching, and local switch transport. These are available at technically feasible points on a non-discriminatory basis.

The Agreement specifically provides nondiscriminatory access to local loop transmission from the central office to the customer's premises, unbundled from local switching or other services. The negotiated price for a 2-wire, analog, 8 db loop was set at \$17.63 per month (subject to true-up and refund provisions should lower loop prices become available under Section 252(i) of the federal Act) plus specific non-recurring charges which are applicable when USLD establishes service. The terms and conditions are included in Appendix UNC. Two alternative cross connects are provided depending on the particular method USLD chooses to extend the loops to its switching facilities. These prices are set out in Schedule 1 - Price List to the Agreement.

The Agreement also provides nondiscriminatory access to local transport from the trunk side of SWBT's switch unbundled from switching or other services. Appendix UNC sets out the terms and conditions for local switch transport to and from SWBT's network within a pre-defined local calling scope on a per minute of use basis. The rates would be generally available at the time USLD elected to use this unbundled network element.

The Agreement also provides nondiscriminatory access to local switching unbundled

from transport, local loop transmission, or other services. Appendix UNC provides the terms and conditions for two elements which in combination provide local switching. The switch port is the central office switch interface hardware providing access to switching functions which is available on a recurring monthly charge basis. The local switching element provides call processing and switching in a SWBT switch and is available on a per minute of use basis. The rates would be generally available at the time USLD elected to use these unbundled elements.

The Agreement also provides nondiscriminatory access to data bases and associated signaling necessary for call routing and completion in Section IV and Appendix LIDB along with Section VI and Appendix SS7. Each party is responsible for programming and updating its own switches to recognize and route traffic to the other party's assigned NXX codes. USLD agrees that it will input all required data necessary to update the Local Exchange Routing Guide (LERG), but also has the option to request SWBT to update the LERG for USLD for a specified fee. The Agreement also provides for nondiscriminatory access to SWBT's Line Information Data Base (LIDB) services pursuant to tariff and prescribes additional terms and conditions upon which SWBT will provide database administration to store USLD's line/billing records in SWBT's LIDB. The Agreement also sets forth the terms and conditions under which SWBT agrees to provide to USLD certain Common Channel Signaling and Signaling System 7 (CCS/SS7) Interconnection Services (SS7 IC Service) and the terms under which USLD agrees to accept such SS7 IC Service. Examples of services are Local and IntraLATA Call Set-Up Signaling, IXC Call Set-Up Signaling, Easy Options®, 800 Data Base Access, and LIDB Validation Service Access. Any services beyond actual network interconnection will be provided by amendment to the Agreement, by separate agreement, or by tariff, whichever is applicable.

The Agreement also provides nondiscriminatory access to operator call completion service. Section VI and Appendix OS set out the rates, terms and conditions for call completion services. A variety of rate options are specified under the complete billable call basis for compensation for each of the various call types for 1- or 2-year, 3-year, or 5-year agreements. These are consistent with other agreements currently in place with other LECs, and the terms of this Agreement are available to other requesting telecommunications carriers as provided in Section XXII.

The Agreement also provides nondiscriminatory access to directory assistance services to allow USLD's customers to obtain telephone numbers. Section VI and Appendix DA set out the rates, terms and conditions for local DA, toll DA, intraLATA foreign NPA DA, and directory assistance call completion (DACC). These are consistent with other agreements currently in place with other LECs, and the terms of this Agreement are available to other requesting telecommunications carriers as provided in Section XXII.

The Agreement also provides nondiscriminatory access to white pages directory listings for customers of USLD's telephone exchange service consistent with OAC 165:55-7-1 and the federal Act. Section VI and Appendix WP of the Agreement specify the rates, terms and conditions for nondiscriminatory access to white pages directory listing and distribution services. A per book price delivered, a subsequent delivery price, an additional book price, and an additional information page price for the Oklahoma City and Tulsa directories are established.

The Agreement also provides nondiscriminatory access to 911 and E911 services. Section VI and Appendices 911 and RESALE set out the rates, terms and conditions for the service. The responsibilities of the parties are set out, and the parties agree to adopt and comply with standard industry operating methods and practices.

The Agreement also provides nondiscriminatory access to telephone numbers for assignment to USLD's telephone exchange service customers. Section IV(B) provides, to the extent SWBT serves as Central Office Code Administrator, SWBT will work with USLD in a neutral and nondiscriminatory manner, consistent with regulatory requirements, in regard to USLD's requests for assignment of central office code(s) (NXX).

The Agreement also provides nondiscriminatory access to such services or information as are necessary to allow USLD to implement local dialing parity in accordance with the requirements of Section 252(b)(3). Section VI of the Agreement specifies that SWBT agrees that local dialing parity will be available to USLD. SWBT also agrees to make intraLATA dialing parity available in accordance with Section 271(e) of the federal Act.

The Agreement provides nondiscriminatory access to the poles, ducts, conduits, and rights-of-way owned or controlled by SWBT at just and reasonable rates in accordance with the requirements of Section 224 of the federal Act. Section VII provides that the parties will negotiate a stand-alone agreement upon request for nondiscriminatory access to poles, ducts, conduits, and rights-of-way they own or control. Also, Appendix RF sets out the terms and conditions under which the parties will make available access to riser space, duct space, terminal closet space and other space necessary for the placement of riser cable in or between multi-unit buildings where a party owns or controls such space. Reasonable cost-based rates for copper riser conductors and administrative costs are set out in this Appendix.

Mr. Sparling also testified that the Agreement complies with the public interest requirement of Section 252(e) of the federal Act and OAC 165:55-12-7(e). In support of this, Mr. Sparling testified that the access and interconnection provided under the Agreement allow seamless interconnection in accordance with the requirements of Sections 251(c)(2) and 252(d)(1) of the federal Act. With regard to Section 251(c)(2)(A), (B) and (C),

interconnection with SWBT's local exchange network for the transmission and routing of telephone exchange service and exchange access is described in Section II of the Agreement and the related appendices. The interconnection transmission facilities and trunking arrangements are at technically feasible points as described therein. The quality of the facilities and trunking arrangements are equal to those utilized by SWBT for interconnection.

With regard to Sections 251(c)(2)(D) and 252 (d)(1), the rates, terms and conditions for network interconnection methods are described in Appendix NIM. These negotiated interconnection rates, terms and conditions are just, reasonable and nondiscriminatory. Additionally, the Agreement is designed to allow for adjustments to more favorable rates, terms and conditions which could become available in the future.

The Agreement also provides for reciprocal compensation arrangements for the efficient exchange of traffic in accordance with the requirements of Section 252(d)(2). Section III sets out the terms and conditions regarding compensation for delivery of traffic. The Agreement classifies traffic for the purposes of compensation as either Local traffic, Through-put traffic, IntraLATA Interexchange traffic or InterLATA Interexchange traffic. Calls which originate and terminate within the same SWBT exchange area (per SWBT tariffs) or within SWBT exchanges which share a common mandatory local calling scope will be classified as local for the purposes of compensation. The reciprocal local interconnection rate for the termination of local traffic is \$0.01 per minute of use.

A reciprocal compensation rate for Through-put traffic applies to all minutes of use between local exchange service providers which traverse the billing party's tandem switch, but which neither originate with, nor terminate to that party's end user. This rate is \$0.003 per minute of use.

The Agreement provides that calls not classified as local shall be treated as interexchange for intercompany compensation purposes. The reciprocal compensation for termination of intraLATA interexchange traffic will be at terminating access rates for Message Telephone Service (MTS) and originating access rates for 800 Service including Carrier Common Line (CCL) as set forth in each party's intrastate access tariff. Compensation for origination and termination of interLATA interexchange traffic will be by Meet-Point Billing (MPB) arrangements established to provide Switched Access Services to IXCs via a SWBT access tandem switch. MPB will also apply to all traffic bearing the 900, 800 and 888 NPAs.

Should USLD want to efficiently serve customers beyond the scope of its own facilities or beyond the scope of exchanges where it has arranged for unbundled network elements from SWBT, the Agreements makes telecommunications services available for resale in accordance with the requirements of Sections 251(c)(4) and 252(d)(3) of the federal

Act. Appendix RESALE provides that certain SWBT services are available for resale under certain terms and conditions. SWBT's Resale Product Lists for Business and Residence in the Agreement summarize the retail products available for resale and the applicable avoided cost discounts from tariffed recurring and nonrecurring rates. These lists specify the Oklahoma discount of 17.5%.

In keeping with the aim of seamless interoperability, the Agreement also provides interim telecommunications number portability through remote call forwarding. Section IX and Appendix PORT provide for reciprocal interim number portability (INP) arrangements under specific terms and conditions. Recurring and nonrecurring prices are set out for the remote call forwarding arrangement. The parties will comply with all effective FCC, Commission and/or court orders governing INP cost recovery and compensation. The Agreement provides that, to the extent such an order is issued which specifically directs different treatment of INP related payments made between the parties, the parties will true-up all such payments to reflect the order.

Mr. Sparling testified that the parties had corrected some typographical errors contained in Appendix OS to the Agreement filed with the application on September 9, 1996. Those corrections are contained in a late-filed exhibit containing revised pages with the typographical errors corrected.

On questioning from the Attorney General and Mr. Gray, Mr. Sparling testified that the terms and conditions contained in the Agreement would be available to other similarly situated telecommunications carriers, but that they were not binding on any other carrier.

Mr. Richard Burke testified on behalf of USLD. Mr. Burke testified that the terms and conditions set forth in the Agreement would provide USLD with an opportunity to offer consumers a meaningful competitive alternative in the local exchange market in Oklahoma consistent with the local competition initiatives taken by the Commission, in a manner which is both beneficial to the end users and economically feasible for USLD.

Further, the Agreement was negotiated by both parties and that a mutual agreement was reached whereby USLD has the right and opportunity to incorporate the terms and conditions of other agreements reached between SWBT and other similarly situated carriers that may be considered different or less favorable to USLD.

Findings and Conclusions

Based upon its review of the application and the attached affidavits, the interconnection agreement, as revised by the parties on November 12, 1996, and the testimony and evidence introduced at the hearing on November 12, 1996, the Commission

finds:

1. That the interconnection agreement is consistent with Section 252(e) of the Telecommunications Act of 1996 and OAC 165:55-17-7(e) in that the agreement does not discriminate against a telecommunications carrier not a party to the agreement and that the agreement is consistent with the public interest, convenience and necessity.

2. That the provisions of the agreement are consistent with Section 251(b) and 251(c) of the federal Act and OAC 165:55-17-5 in that the Agreement provides for (i) interconnection of USLD's facilities with those of SWBT on terms that comply with Section 251(c)(2); (ii) nondiscriminatory access to network elements on an unbundled basis consistent with Section 251(c)(3); and (iii) resale of SWBT's retail telecommunications services at wholesale rates pursuant to Section 251(c)(4).

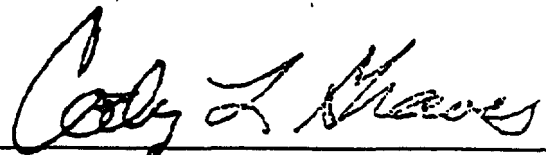
3. That the provisions of the agreement are consistent with the anti-discriminatory intent of the federal Act and the Commission's rules as fully and specifically described in the prefiled testimony of Mr. Sparling.

4. That the provisions of the agreement are consistent with the pro-competitive, public aims of the federal Act and the Commission's rules as fully described in the prefiled testimony of Mr. Sparling.

Order

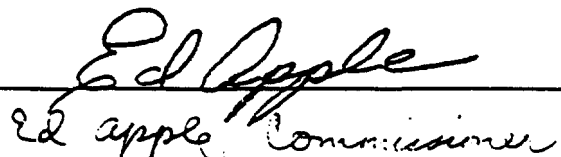
IT IS THEREFORE THE ORDER OF THE CORPORATION COMMISSION of the State of Oklahoma that the interconnection agreement, as revised, reached by negotiations between SWBT and USLD is hereby approved.

OKLAHOMA CORPORATION COMMISSION



CODY L. GRAVES, Chairman

BOB ANTHONY, Vice Chairman



Ed Apple, Commissioner


~~ED APPLE, Commissioner~~

DONE AND PERFORMED THIS 23 DAY OF DECEMBER, 1996, BY ORDER
OF THE COMMISSION:


CHARLOTTE W. FLANAGAN, Secretary

REPORT OF THE ADMINISTRATIVE LAW JUDGE

The foregoing Findings and Order are the Report and Recommendations of the
Administrative Law Judge.


ROBERT E. GOLDFELD
Administrative Law Judge

December 19, 1996
Date

BEFORE THE CORPORATION COMMISSION OF THE STATE OF OKLAHOMA

FILED

APPLICATION OF SOUTHWESTERN BELL
TELEPHONE COMPANY FOR APPROVAL OF
INTERCONNECTION AGREEMENT WITH
US LONG DISTANCE, INC. PURSUANT TO
§ 252(e) OF THE TELECOMMUNICATIONS
ACT OF 1996.

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OF OKLAHOMA

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) CAUSE NO. PUD 96_____

**APPLICATION OF SOUTHWESTERN BELL TELEPHONE
COMPANY FOR APPROVAL OF INTERCONNECTION
AGREEMENT WITH US LONG DISTANCE, INC.**

COMES NOW Southwestern Bell Telephone Company (SWBT) and hereby files this Application for Approval of Interconnection Agreement (the Agreement), pursuant to § 252(e) of the Telecommunications Act of 1996 (the Federal Act) and OAC 165:55-17-1, *et seq.*, between SWBT and US Long Distance, Inc. (USLD), and states as follows:

I. Parties

Applicant is Southwestern Bell Telephone Company (SWBT), with its principal offices in Oklahoma located at 800 North Harvey, Oklahoma City, Oklahoma 73102.

II. Allegations of Fact.

Applicant presents to this Commission for approval an interconnection agreement negotiated and executed pursuant to the terms of the Federal Act (Agreement, Attachment II) and OAC 165:55-17-1, *et seq.* After weeks of intensive good faith negotiations

addressing hundreds of complex issues involved in such an agreement, the parties executed the Interconnection Agreement between SWBT and USLD on September 5, 1996, filed herewith, together with various schedules, exhibits and appendices incorporated therein. All issues have been successfully negotiated and agreed upon. Therefore, no arbitration of any issue is required.

Applicant seeks the Commission's approval of the Agreement, consistent with the provisions of the Federal Act and OAC 165:55-17-1, *et seq.* SWBT believes that the implementation of this Agreement complies fully with § 252(e) of the Federal Act because the Agreement is consistent with the public interest, convenience and necessity and does not discriminate against any telecommunications carrier. The Agreement promotes diversity in providers, provides for interconnectivity between the parties' respective networks and will lead to increased customer choices for telecommunications services once USLD's proposed tariffs are approved.

Applicant respectfully requests that the Commission grant expeditious approval of this Agreement, without change, suspension or other delay in its implementation. This is a bilateral agreement, reached as a result of negotiations and compromise between competitors, and SWBT believes that procedures for review of the Agreement should be designed to permit expeditious implementation thereof, and that interventions should be strictly limited consistent with the scope of review specified by the Federal Act and the Commission's applicable rules.

The applicable standard of review is set forth in § 252(e) of the Federal Act and has been substantively adopted by this Commission in OAC 165:55-17-7(e). Section 252(e) provides as follows:

(e) APPROVAL BY STATE COMMISSION

- (1) APPROVAL REQUIRED. -- Any interconnection agreement adopted by negotiation or arbitration shall be submitted for approval to the State commission. A State commission to which an agreement is submitted to shall approve or reject the agreement, with written findings as to any deficiencies.
- (2) GROUNDS FOR REJECTION. -- The State commission may only reject --
 - (A) an agreement (or any portion thereof) adopted by negotiation under subsection (a) if it finds that --
 - (I) the agreement (or portion thereof) discriminates against a telecommunications carrier not a party to the agreement; or
 - (ii) the implementation of such agreement or portion is not consistent with the public interest, convenience and necessity;

The affidavit of Robert E. Stafford, Division Manager - Regulatory and Industry Relations for SWBT, establishes that the Agreement submitted herein satisfies these standards. (Affidavit, Attachment I.)

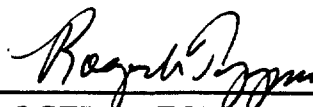
III. Legal Authority

The Commission is vested with requisite authority pursuant to Article IX, § 18 of the Oklahoma Constitution, 17 O.S. § 131, *et seq.*, OAC 165:55, *et seq.*, and 47 U.S.C. § 252(e).

IV. Relief Sought

WHEREFORE, Applicant respectfully requests that the Commission approve the Interconnection Agreement between SWBT and USLD, and such additional relief as the Commission deems proper and reasonable.

Respectfully submitted,



ROGER K. TOPPINS, OBA #15410
KENDALL W. PARRISH, OBA #15039
800 North Harvey, Room 310
Oklahoma City, OK 73102
Telephone: (405)291-6751/291-6754

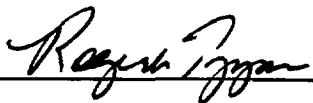
ATTORNEYS FOR SOUTHWESTERN BELL
TELEPHONE COMPANY

CERTIFICATE OF MAILING

On this 9th day of September, 1996, a true and correct copy of the foregoing was hand-delivered to:

Maribeth Snapp, Deputy General Counsel
Oklahoma Corporation Commission
Jim Thorpe Building
Oklahoma City, OK 73105

Rick Chamberlain
Office of the Attorney General
112 State Capitol Building
Oklahoma City, OK 73105



BEFORE THE CORPORATION COMMISSION OF THE STATE OF OKLAHOMA

APPLICATION OF SOUTHWESTERN BELL)
TELEPHONE COMPANY FOR APPROVAL OF)
INTERCONNECTION AGREEMENT WITH)
US LONG DISTANCE, INC. PURSUANT TO)
§ 252(e) OF THE TELECOMMUNICATIONS)
ACT OF 1996.) CAUSE NO. PUD 96_____

AFFIDAVIT OF ROBERT E. STAFFORD

STATE OF OKLAHOMA)
) ss:
COUNTY OF OKLAHOMA)

Before me, the undersigned Notary Public, on the 9th day of September, 1996, personally appeared Robert E. Stafford, Division Manager - Regulatory and Industry Relations of Southwestern Bell Telephone Company (SWBT) who, upon being duly sworn on oath, deposed and said the following:

1. My name is Robert E. Stafford. I am over the age of 21, of sound mind and competent to testify to the matters stated herein. I am the Division Manager - Regulatory and Industry Relations for SWBT, and I have knowledge concerning the Interconnection Agreement between Southwestern Bell Telephone Company and US Long Distance, Inc. (USLD) on behalf of SWBT. I have personal knowledge of the provisions of the Agreement. Since July 1996, the parties have continued diligent negotiations under the Telecommunications Act of 1996, culminating in an executed agreement on September 5, 1996.
2. The Interconnection Agreement, together with its schedules, exhibits and appendices incorporated therein, are an integrated package and are the result of good faith arm's-length negotiation and compromise between competitors.